



HOME TEAM Advantage Tax Exempt Lending Term Sheet

Purpose	This program combines tax-exempt financing and federal HOME funds to encourage rental housing developments located in rural communities of the state or developments that have been awarded funding under USDA's Rural Development Section 515 Program.
Eligible Borrowers	Non-profit housing corporations and limited dividend entities eligible under the Authority's Act.
Eligible Developments	Developments must be between 12-49 units, except rehabilitation, which can be 12- 100 units if the targeting criteria are met. New construction or adaptive re-use of rental developments for family or senior occupancy.
Loan Limits	Minimum \$1000 per unit. Maximum amount will be lesser of the equity gap determined by MSHDA or \$16,000 per unit as multiplied by the total number of units. Up to \$25,000 per unit is available for projects with higher development costs and significant community impact.
Income Restrictions	Minimum of 10% of the total units must be available of the total units must be available for those 30% below the AMI, as published by HUD, the remaining must below 60% of the AMI. Up to 10% may be market rate.
Rate	Visit our website, www.michigan.gov/mshda for current rates.
Term	35 years
Amortization	35 years
Debt Coverage Ratio	1.10 minimum
Loan Guarantee	Non-recourse
Prepayment Provision	Prepayment restriction for life of loan
Operating Assurance Reserve	Operating Assurance Reserve (OAR) will be established equal to four months estimated operating expenses. OAR held by MSHDA and accumulates interest.
Replacement Reserve	Replacement reserve of \$250 per unit for elderly and \$300 per units for family housing and rehabilitation.
Michigan Green Communities Grant	Grant of \$1,000 per affordable unit, up to a maximum of \$50,000 is available from MSHDA for rehabilitated developments meeting the Michigan Green Communities criteria. The Enterprise Foundation matching funds and a \$3,000 grant for administrative reporting is available.
Environmental Reviews	Phase I Environmental Site Assessment required
Origination and Other Fees	2% of mortgage loan amount. LIHTC application, commitment and compliance fees apply.
Application Fee	\$1,000

For More Information Contact:

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